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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

K
92-2242QUARTERLY REPORT UNDER SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934For the Quarter ended January 31, 1992

Commission File Number 0-9800

LYRIC ENERGY INC.

(Exact name of Registrant as specified in its charter)

Colorado75-1711324State or other jurisdiction of
incorporation or organization

I.R.S. Employer ID Number

1013 W. 8th, Amarillo, Tx79101

Address of principal executive offices

Zip Code

Registrant's telephone number, including area code (806) 376-5088None

Former name, former address and former fiscal year, if changed since last report

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for shorter period that the registrant was required to file such reports), and (2) has been subject to filing requirements for the past 90 days.

YES X NO

Indicate the number of shares outstanding of each of the issuer's class of common stock, as of the close of the period covered by this report.

Common Stock, \$.01 par value46,533,333

Class

Outstanding at January 31, 1992BEST COPY
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LYRIC ENERGY, INC.

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LYRIC ENERGY, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
January 31, 1992 and April 30, 1991
(UNAUDITED)

ASSETS

	<u>January 31, 1992</u>	<u>April 30, 1991</u>
Current assets:		
Cash & temporary investments	\$ 16,546	\$ 20,496
Accounts receivable	71,790	70,527
Interest bearing advances to related parties	6,368	15,105
Notes receivable from related parties	13,301	13,301
Other current assets	<u>1,958</u>	<u>1,958</u>
TOTAL CURRENT ASSETS	\$ 110,063	\$ 121,387
Property and equipment, at cost:		
Oil & gas properties, full cost method	4,133,102	4,509,209
Less: Accumulated depreciation, depletion and amortization	<u>(3,569,683)</u>	<u>(3,680,038)</u>
NET PROPERTY AND EQUIPMENT	\$ 563,419	\$ 829,171
TOTAL ASSETS	\$ 673,482 *****	\$ 950,558 *****

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable - trade	\$ 125,686	\$ 114,232
Note Payable-Related Party	88,907	88,907
Accrued interest-Related Party Note	81,472	294,339
Notes payable	---	2,991,606
Account payable to Bank	<u>25,000</u>	<u>---</u>
TOTAL CURRENT LIABILITIES	\$ 321,065	\$3,489,084
Stockholders' equity:		
Common stock - par value \$.01 per share, authorized 250,000,000 shares, issued and outstanding 46,533,333 shares	422,333	384,333
Additional paid-in capital	1,690,545	1,690,545
Accumulated deficit	<u>(1,760,461)</u>	<u>(4,613,404)</u>
TOTAL STOCKHOLDERS' EQUITY	<u>352,417</u>	<u>(2,538,526)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 673,482 *****	\$ 950,558 *****

The accompanying notes are an integral part of these condensed financial statements.

LYRIC ENERGY, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
Nine and Six Months Ended January 31, 1992 and 1991
(UNAUDITED)

	Three Months Ended January 31,		Nine Months Ended January 31,	
	1992	1991	1992	1991
Revenue:				
Oil & gas sales	\$ 18,735	\$ 37,560	\$ 72,861	\$111,556
Management fees	15,505	19,317	49,236	54,658
TOTAL REVENUE	\$ 34,240	\$ 56,877	\$122,097	\$ 166,214
Expenses:				
Lease operating expense	\$ 11,613	\$ 26,110	\$ 49,066	\$ 56,768
Production taxes	633	2,086	3,251	6,924
General & Admin. expenses	22,909	22,424	65,026	64,056
Depreciation & depletion	---	2,655	2,911	14,732
Professional fees	2,309	6,979	15,879	40,030
TOTAL EXPENSE	\$ 37,464	\$ 60,254	\$137,133	\$182,510
OPERATING INCOME	\$ (3,224)	\$ (3,377)	\$(15,036)	\$(16,296)
Other income (expense):				
Interest income	\$ 755	1,119	\$ 2,283	\$ 3,893
Interest expense	(6,668)	(62,128)	(84,529)	(188,728)
Gain on Debt Reconstruction	---	---	2,987,564	---
Loss on Transfer of Assets	---	---	(37,338)	---
PROFIT BEFORE TAXES	\$ (9,137)	\$(64,386)	2,852,944	(201,131)
Income Loss	---	---	---	---
NET PROFIT (LOSS)	\$ (9,137)	\$(64,386)	\$2,852,944	\$(201,131)
Earnings per share	.000	(.015)	.061	(.006)

The accompanying notes are an integral part of these condensed financial statements.

LYRIC ENERGY, INC.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
 Nine Months Ended January 31, 1992 and 1991
 (UNAUDITED)

	January 31,	
	<u>1992</u>	<u>1991</u>
Uses of working capital:		
Net loss (profit)	\$(2,866,280)	\$201,131
Items not using working capital:		
Depreciation, depletion & amortization	110,355	(14,732)
Additions to oil and gas properties	(376,107)	11,636
Sources of working capital	(3,132,032)	--
Decrease in working capital	\$ 	\$198,035
(Increases) decreases in working capital components:		
Cash	\$ 3,850	\$ 34,045
Accounts receivable trade	(5,862)	8,615
Other current assets	38,000	(10,000)
Accounts payable, trade	36,453	(19,124)
Accrued interest payable	(212,867)	188,321
Notes payable	(2,991,606)	(3,822)
(Increase) Decrease in working capital	\$ (3,132,032) 	\$198,035

The accompanying notes are an integral part of these condensed financial statements.

LYRIC ENERGY, INC.
STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED JANUARY 31, 1992 & 1991
Increase (Decreases) in Cash

	<u>1992</u>	January 31, <u>1991</u>
Cash flows from operating activities:		
Cash received from customers	\$ 120,834	\$ 176,915
Cash paid to suppliers and employees	(131,267)	(205,206)
Interest received	1,285	3,893
Interest paid	(24)	(407)
Net cash provided by operating activities	(9,172)	(24,805)
Cash flows from investing activities:		
Cash withdrawn from (deposited in) bank fund controlled by a related party, net	8,737	6,218
Cash paid for oil & gas property acquisition and development	(3,415)	(11,636)
Net cash provided by (used in) investing activities	5,322	(5,418)
Cash flows from financing activities:		
Transfer of oil & gas properties	274,373	
Gain on debt restructuring	2,872,388	
Issuance of Stock	38,000	
Repayments of bank debt	(3,184,761)	(3,822)
Net increase (decrease) in cash	(3,850)	(34,045)
Cash at beginning of year	20,496	62,213
Cash at January 31	16,646	28,168
<u>Reconciliation of Net (Loss) Profit to Net Cash Provided by Operations</u>		
Net (loss) profit	2,852,944	(201,131)
Adjustments to reconcile net (loss) profit to net cash provided by operations:		
Depreciation, depletion and amortization	2,911	14,732
Net changes in the following:		
Receivables, trade	(1,263)	2,397
Other current assets	266,256	(10,000)
Accounts payable, trade	11,453	(19,124)
Accrued interest	(212,867)	188,321
Notes payable	(2,966,606)	
Stock issued	38,000	
Net cash provided by operations	\$ (9,172)	\$ (24,805)
	*****	*****

See accompanying notes to financial statements.

LYRIC ENERGY, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1 - Basis of Presentation

The financial information included herein is unaudited; however, such information reflects all adjustments (consisting solely of normal recurring adjustments) which are, in the opinion of management, necessary for a fair statement of results of the interim period.

The results of operations for the nine months period ended January 31, 1992 are not necessarily indicative of the results to be expected for the full year.

LYRIC ENERGY, INC.

MANAGEMENT'S ANALYSIS OF QUARTERLY INCOME STATEMENT

The following is management's discussion and analysis of certain significant factors which have affected the Company's earnings during the period included in the Company's condensed consolidated financial statements.

Revenues from Oil and Gas Sales and Management Fees decreased from the comparable quarter in 1991 largely resulting from the restructuring of the Company's debt with the Company's bank wherein certain revenue producing properties were transferred to the bank in exchange for cancellation of the debt owed to the bank. The Company issued the bank additional shares of the Company's Treasury Stock. As a result, lease operating expenses also reduced during the quarter.

General and Administrative expenses were essentially the same for the comparable quarter in 1991 and also for the 9 months comparable period in 1991. Substantial interest expense was eliminated as a result of restructuring with the bank and elimination of the bank debt. A small loss was the result. We expect the results for the next quarter to be about the same as this past quarter. The Company is evaluating various opportunities but with natural gas prices being at an all time recent low and with oil prices uncertain the Company has not planned any substantial conventional oil and gas exploration or infield drilling at the present time.

STATEMENT OF MANAGEMENT CONCERNING REVIEW OF INTERIM FINANCIAL
INFORMATION BY INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The January 31, 1992 financial statements included in this filing on Form 10-Q have not been reviewed by Wilson, Haag and Robinette, Inc., public accountants for Lyric Energy, Inc.

PART II - OTHER INFORMATION

Item 6 - Exhibits and Reports on Form 8-K

(b) No Reports have been filed on Form 8-K since October 31, 1991.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto authorized.

DATE: March 9, 1992

LYRIC ENERGY, INC.

By



G.E. Stahl, President and
Chairman of Board of Directors